

PETERSON COMPLEX

ECONOMIC IMPACT

STATEMENT

FY06 (1 OCT 05 - 30 SEP 06)



PREPARED BY FINANCIAL ANALYSIS

21ST SPACE WING

PETERSON AFB CO

STATEMENT OF CLEARANCE

In accordance with AFI 10-1101, AFI 36-2623, and AFI 35-101, the information contained in this impact statement has been cleared through the Operations Security Office and the Public Affairs Office for public release.



DEPARTMENT OF THE AIR FORCE

21ST SPACE WING (AFSPC)

25 January 2007

MEMORANDUM FOR SEE DISTRIBUTION

FROM: 21 SW/CC
775 Loring Avenue, Suite 205
Peterson AFB CO 80914-1290

SUBJECT: Economic Impact Analysis

1. The Economic Impact Analysis is our way of keeping the Colorado Springs and El Paso County Communities informed of the activities of Peterson Air Force Base and Cheyenne Mountain Air Force Station. It is a summary of key information concerning our mission, resources, personnel, and the overall economic impact on the Colorado Springs community in Fiscal Year 2006.

2. We thank the citizens of El Paso County for their outstanding cooperation and strong support. We look forward to continued cooperation in an effort to make our communities an even better place to work and live!

JAY G. SANTEE
Colonel, USAF
Commander

PREFACE

ECONOMIC IMPACT ANALYSIS

The Peterson AFB and Cheyenne Mountain AFS Economic Impact Analysis (EIA) is a useful data resource for Air Force planners and a source of information for community leaders, legislators, and installation visitors. It presents the total economic impact and number of off-base secondary jobs supported by Air Force expenditures in the Economic Impact Region (EIR). The EIR for Peterson AFB and Cheyenne Mountain AFS covers the area within a 50 mile radius, including the city of Colorado Springs.

This EIA reflects information concerning Peterson AFB, Cheyenne Mountain AFS, and the Federal Building, annotated throughout this publication as "Peterson Complex." Schriever AFB is excluded as part of this EIA, except where noted.

Through close interaction with various agencies throughout the Peterson Complex, the 21st Space Wing Financial Analysis Division (FMA) compiled this FY06 EIA. The fiscal year data contained in the EIA reflects the time period of 1 Oct 05 - 30 Sep 06. We thank those members who helped contribute to this publication. Send suggestions or comments to:

Financial Analysis Flight
21st Comptroller Squadron
135 Dover Street, Suite 2009
Peterson AFB CO 80914-1137
Telephone (719) 556-4336
DSN: 834-4336

21 CPTS/FMA
As of: 25 January 2007

TEAM PETERSON MISSION STATEMENTS

NORAD's mission is to continuously provide worldwide detection, validation and warning of an aerospace attack on North America and maintains continental aerospace control, to include peacetime air sovereignty alert and appropriate aerospace defense measures in response to hostile actions against North America.

The U.S. Northern Command's mission is to conduct operations to deter, prevent, and defeat threats and aggression aimed at the United States, its territories, and interests within the assigned area of responsibility; as directed by the President or Secretary of Defense, provides military assistance to civil authorities including consequence management operations.

The Air Force Space Command's mission is to defend the United States of America through the control and exploitation of space.

The 21st Space Wing's mission is to conduct world class space superiority operations and provide unsurpassed installation support and protection while deploying warrior Airmen.

The 302nd Airlift Wing's primary mission is to train equip and employ airlift forces in worldwide support of our nation's vital interest. Their secondary mission is to provide aerial drops in support of local and national firefighting needs using the Modular Airborne Fire Fighting System (MAFFS).

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Please note:

Due to the formatting of the Economic Analysis software, the number fields are fixed. Therefore, "subtotals" in some areas appear to not add correctly in "total" columns.

This appears at the bottom of page 1, paragraph 4:

Private Businesses on Base, by type	57
Branch Banks/Credit Union	15
McDonald's	42

The 17 and 45 subtotals add up to the 57 total.

The total for paragraph 4 (3,332) is correct.

**ECONOMIC IMPACT ANALYSIS
PETERSON COMPLEX**

**TABLE 1
PERSONNEL BY CLASSIFICATION AND HOUSING LOCATION**

As of: 30-Sep-06
Data Source: VARIOUS ORGANIZATIONS

CLASSIFICATION	LIVING ON BASE	LIVING OFF BASE	TOTAL
1. APPROPRIATED FUND MILITARY			
Active Duty	379	3,025	3,404
ANG/Reserve	0	1,906	1,906
Army/Navy/Marines/Coast Guard	72	437	509
Canadian Forces	1	135	136
TOTAL:	452	5,503	5,955
2. ACTIVE DUTY MILITARY DEPENDENTS	1,058	5,249	6,307
3. APPROPRIATED FUND CIVILIAN			
General Schedule			2,177
Federal Wage Board			209
Other			5
		TOTAL:	2,391
4. NON-APPROPRIATED FUND CONTRACT CIVILIANS AND PRIVATE BUSINESS			
Civilian NAF			369
Civilian BX			151
Contract Civilians (not elsewhere included)			2,755
Private Businesses On Base, By Type:			57
Branch Banks/Credit Union			15
McDonald's			42
		TOTAL:	3,332
	TOTAL PERSONNEL:		17,985

**ECONOMIC IMPACT ANALYSIS
PETERSON COMPLEX**

TABLE 2

ANNUAL PAYROLL BY CLASSIFICATION AND HOUSING LOCATION

Fiscal Year: 2006

Data Source: VARIOUS ORGANIZATIONS

CLASSIFICATION	LIVING ON BASE (\$)	LIVING OFF BASE (\$)	TOTAL (\$)
1. APPROPRIATED FUND MILITARY			
Active Duty	\$14,938,664	\$198,234,300	\$213,172,964
ANG/Reserve	\$0	\$13,859,281	\$13,859,281
Army/Navy/Marines/Coast Guard	\$2,837,952	\$28,637,484	\$31,475,436
Canadian Forces	N/A	\$8,700,000	\$8,700,000
TOTAL:	\$17,776,616	\$249,431,065	\$267,207,681
2. APPROPRIATED FUND CIVILIAN			
General Schedule		\$144,873,964	
Federal Wage Board		\$8,744,305	
Other		\$708,784	
		TOTAL:	\$154,327,053
3. NON-APPROPRIATED FUND CONTRACT CIVILIANS AND PRIVATE BUSINESS			
Civilian NAF		\$5,800,000	
Civilian BX		\$3,904,035	
Contract Civilians (not elsewhere included - included in Table 3 - Contracts)		\$0	
Private Businesses On Base, By Type:		\$387,165	
Branch Banks/Credit Union		\$387,165	
McDonald's - (contract data not releasable)		\$0	
		TOTAL:	\$10,091,200

TOTAL ANNUAL PAYROLL: \$431,625,934

**ECONOMIC IMPACT ANALYSIS
PETERSON COMPLEX**

TABLE 3

**EXPENDITURES FOR CONSTRUCTION, SERVICES, AND PROCUREMENT OF
MATERIALS, EQUIPMENT, AND SUPPLIES**

(Not including contracts for services supplied to other Air Force installations)

Fiscal Year: 2005

Data Source: VARIOUS ORGANIZATIONS

	ACTUAL ANNUAL EXPENDITURES
1. CONSTRUCTION	
Military Construction Program	\$25,858,995
Non-Appropriated Fund	\$0
Military Family Housing	\$442,098
O&M	\$13,589,860

TOTAL:	\$39,890,953
2. SERVICES	
Services Contracts *	\$472,949,936
Other Services (not elsewhere included)	\$0

TOTAL:	\$472,949,936
3. MATERIALS, EQUIPMENT, AND SUPPLIES PROCUREMENT	
Commissary	\$9,699,572
Base Exchange (BX)	\$78,205
Health (TRICARE, Government cost only)	\$9,315,694
Education (Impact aid and tuition assistance)	\$6,004,084
Inbound TDY (Per Diem & Lodging)	\$8,786,641
Other Materials, Equipment & Supplies (not elsewhere included)	\$14,781,980

TOTAL:	\$48,666,176
TOTAL ANNUAL EXPENDITURES: \$561,507,065	

* Includes only contracts in the local economic area or contracts requiring the use of locally supplied goods and services.

**ECONOMIC IMPACT ANALYSIS
PETERSON COMPLEX**

TABLE 4

ESTIMATE OF NUMBER AND DOLLAR VALUE OF INDIRECT JOBS CREATED

Data Sources:

Multipliers: LMI Economic Impact Database, Installations and Indirect/Induced Job Multipliers

Average Annual Pay: Bureau of Labor Statistics, US Department of Labor

Type of Personnel	# of Base Jobs	Multiplier	# of Indirect Jobs
MILITARY ACTIVE DUTY	4,049	0.41	1,660
TRAINEES AND RESERVISTS	1,906	0.16	305
DoD CIVILIANS	2,391	0.55	1,315
OTHER CIVILIANS	3,332	0.55	1,833
	-----		-----
TOTAL:	11,678		5,113

AVERAGE ANNUAL PAY FOR THE LOCAL COMMUNITY: \$39,546

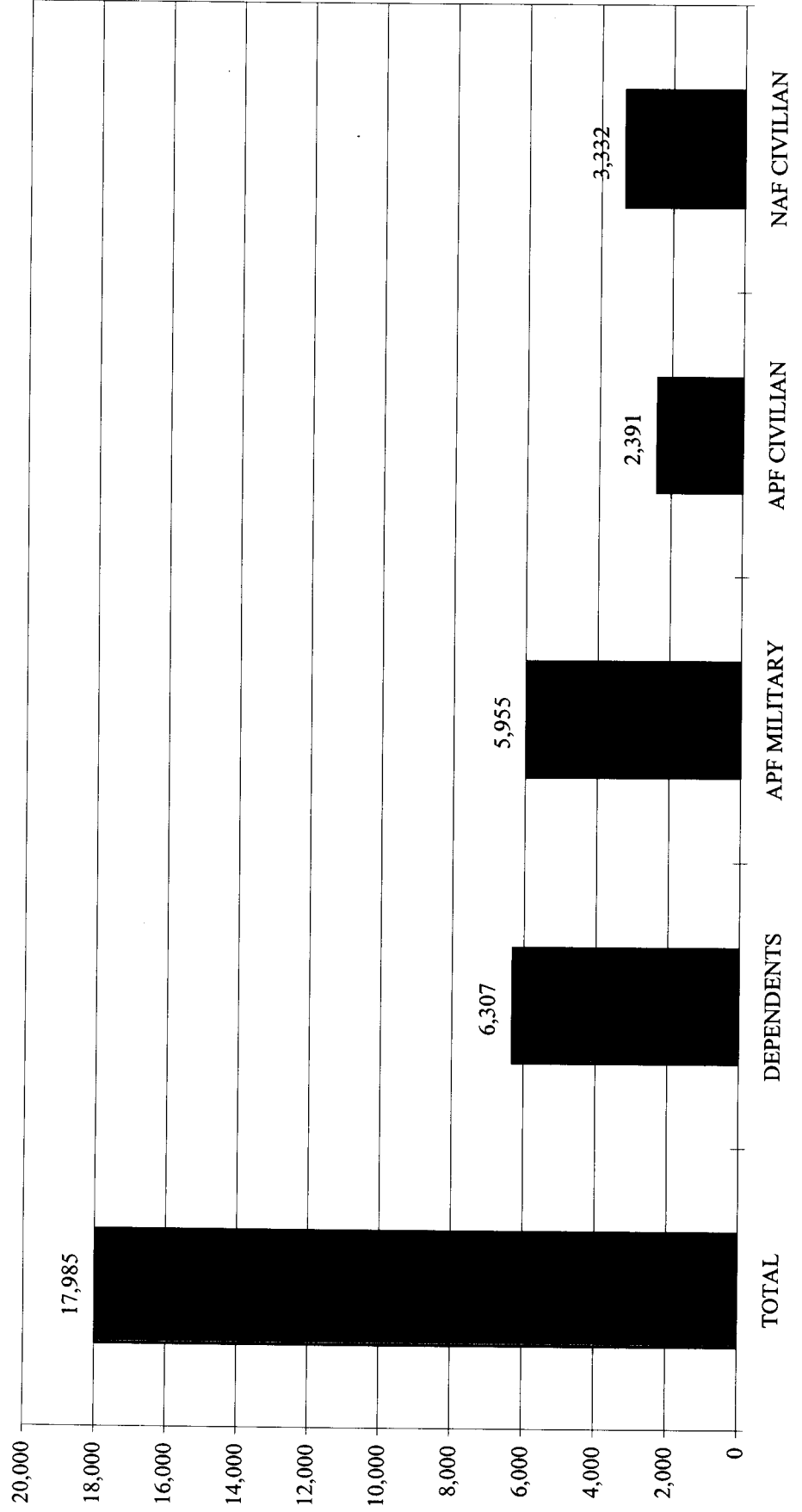
ESTIMATED ANNUAL DOLLAR VALUE OF JOBS CREATED: \$202,198,698

**ECONOMIC IMPACT ANALYSIS
PETERSON COMPLEX**

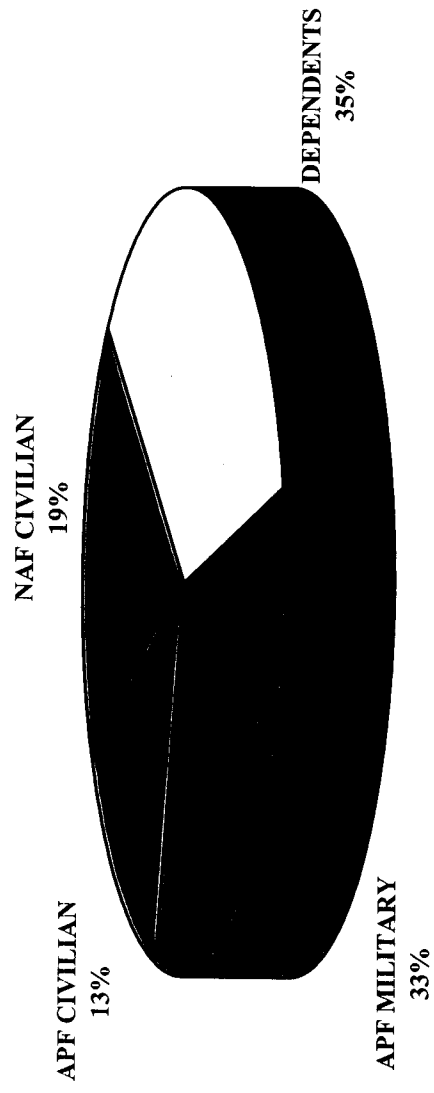
**TABLE 5
TOTAL ANNUAL ECONOMIC IMPACT ESTIMATE**

ANNUAL PAYROLL:		\$431,625,934
Military	\$267,207,681	
Federal Civilian	\$154,327,053	
Other Civilian	\$10,091,200	
ANNUAL EXPENDITURES:		\$561,507,065
ESTIMATED ANNUAL DOLLAR VALUE OF JOBS CREATED:		\$202,198,698
Estimated Indirect Jobs Created	5,113	
Average Annual Pay	\$39,546	
GRAND TOTAL:		\$1,195,331,697

PERSONNEL SUMMARY PETERSON COMPLEX

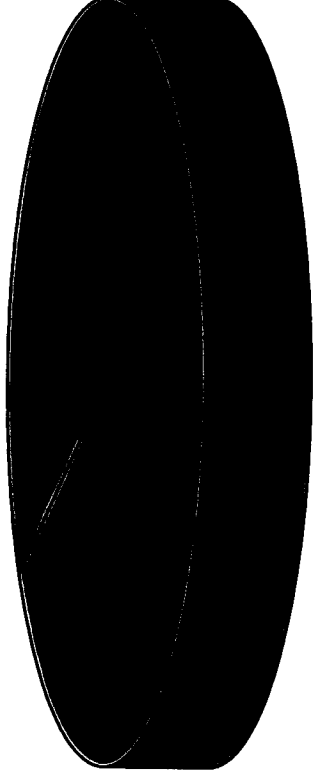


PERSONNEL SUMMARY BY % PETERSON COMPLEX



% OF APPROPRIATED FUND MILITARY PERSONNEL LIVING ON AND OFF BASE PETERSON COMPLEX

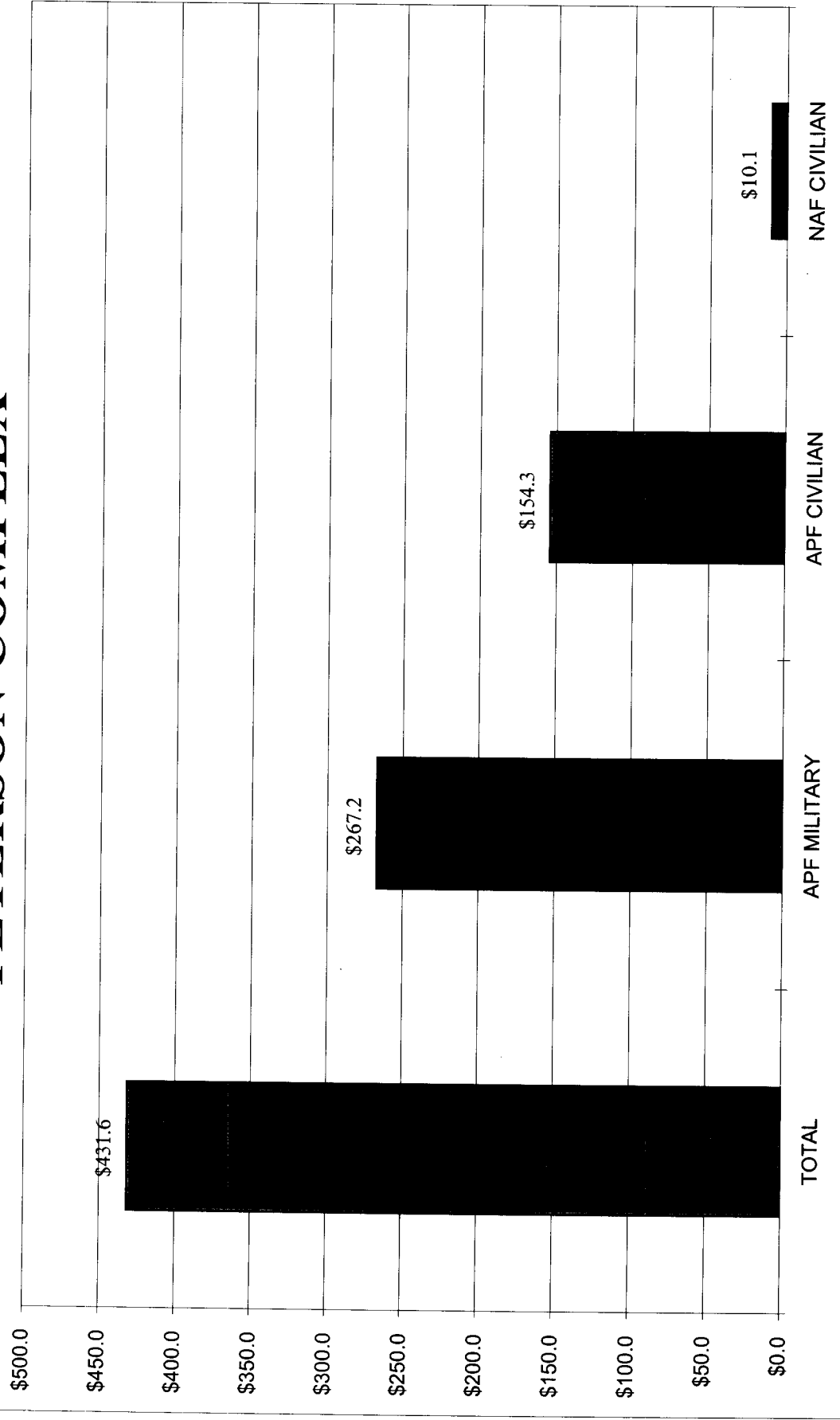
**ON BASE
8%**



**OFF BASE
92%**

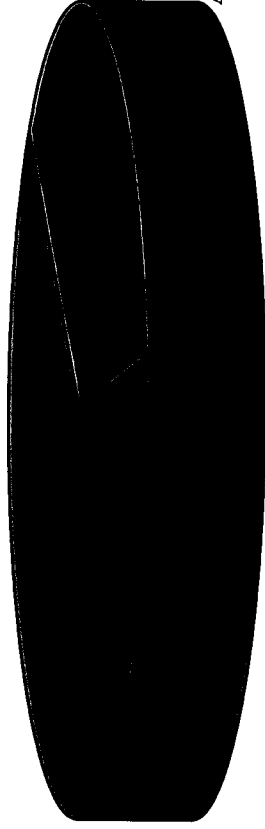
ANNUAL PAYROLL SUMMARY (\$M)

PETERSON COMPLEX



ANNUAL PAYROLL SUMMARY BY % PETERSON COMPLEX

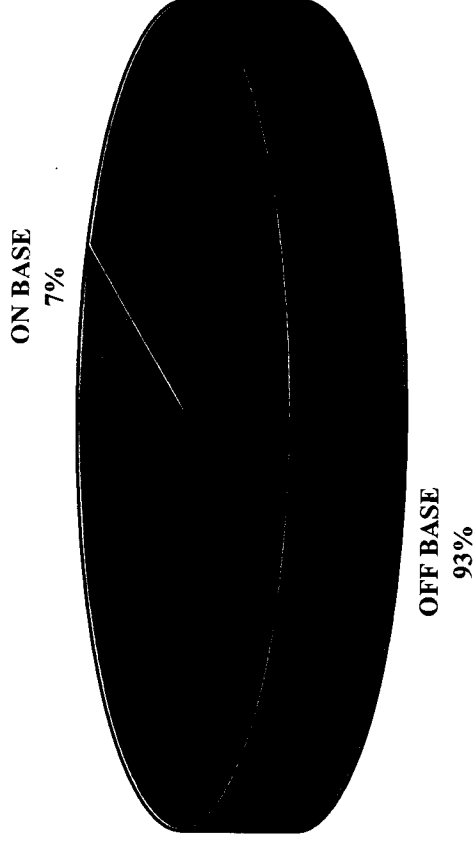
APF MILITARY
62%



APF CIVILIAN
36%

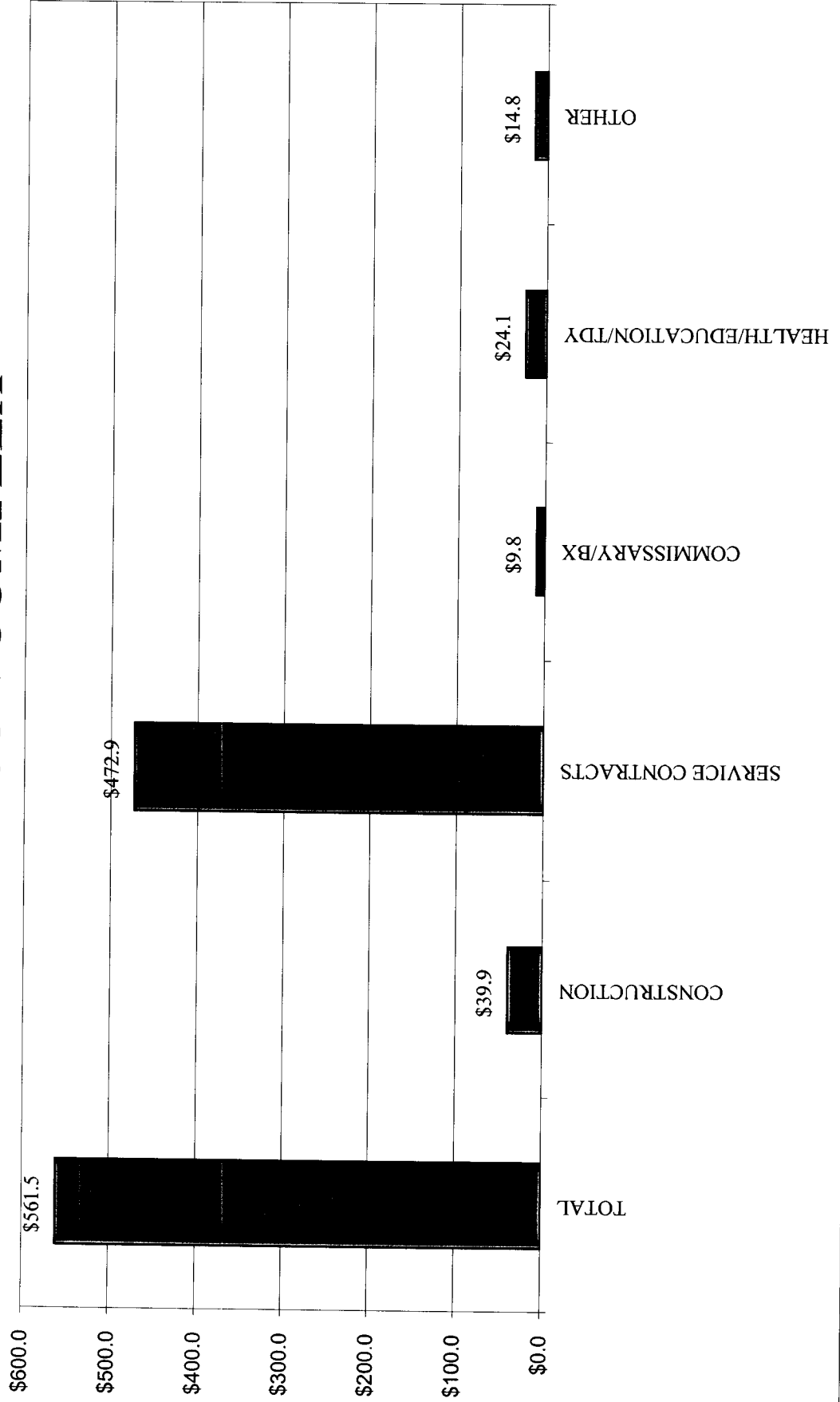
NAF CIVILIAN
2%

**% OF THE APPROPRIATED FUND MILITARY
PERSONNEL PAYROLL ATTRIBUTABLE TO
PERSONNEL LIVING ON AND OFF BASE
PETERSON COMPLEX**



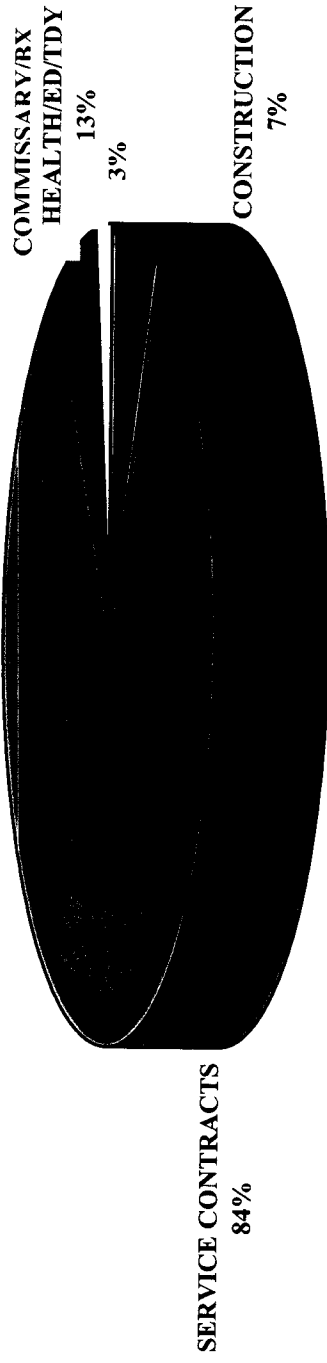
ANNUAL EXPENDITURE SUMMARY (\$M)

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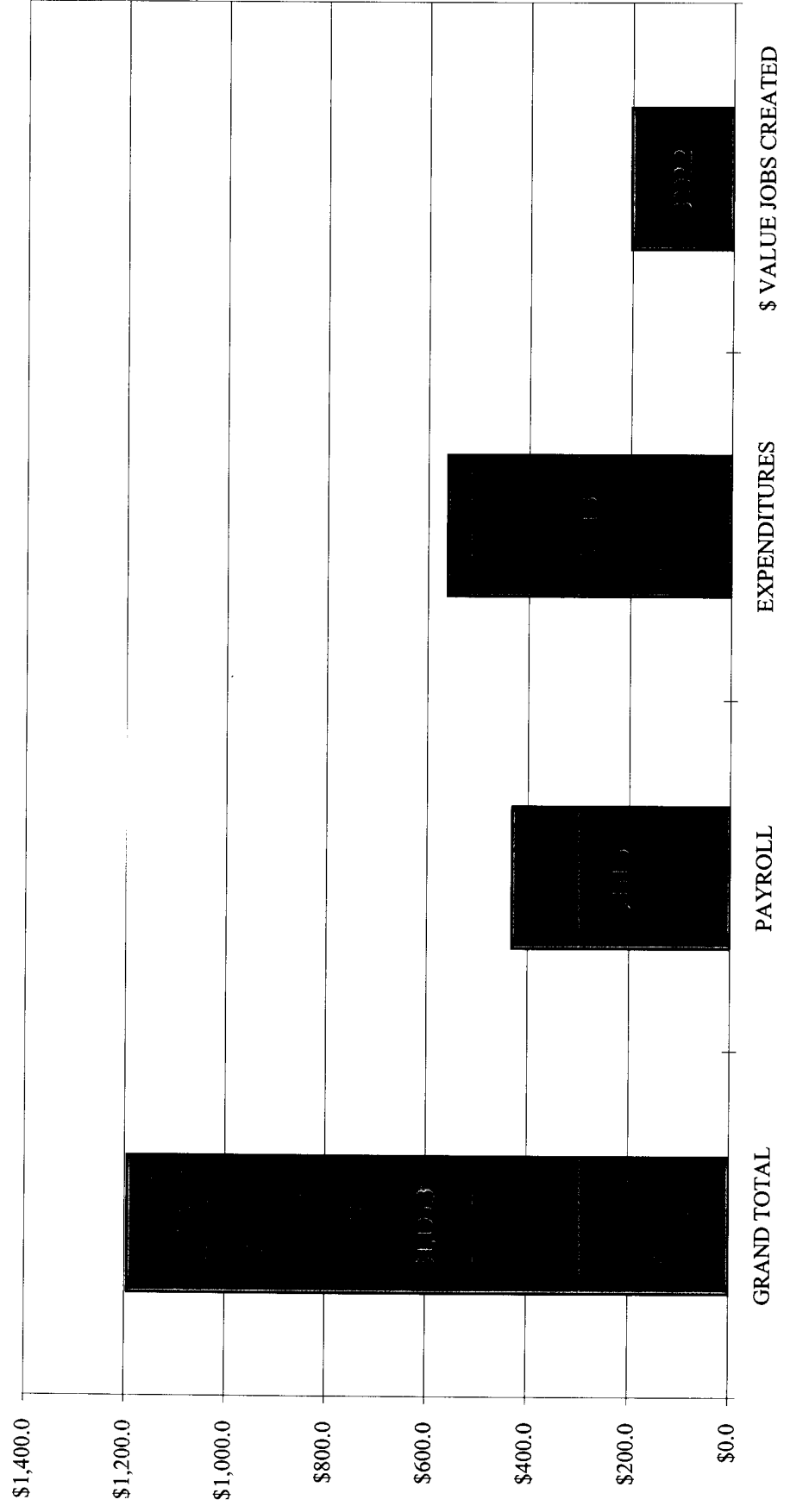


ANNUAL EXPENDITURE SUMMARY (\$M)

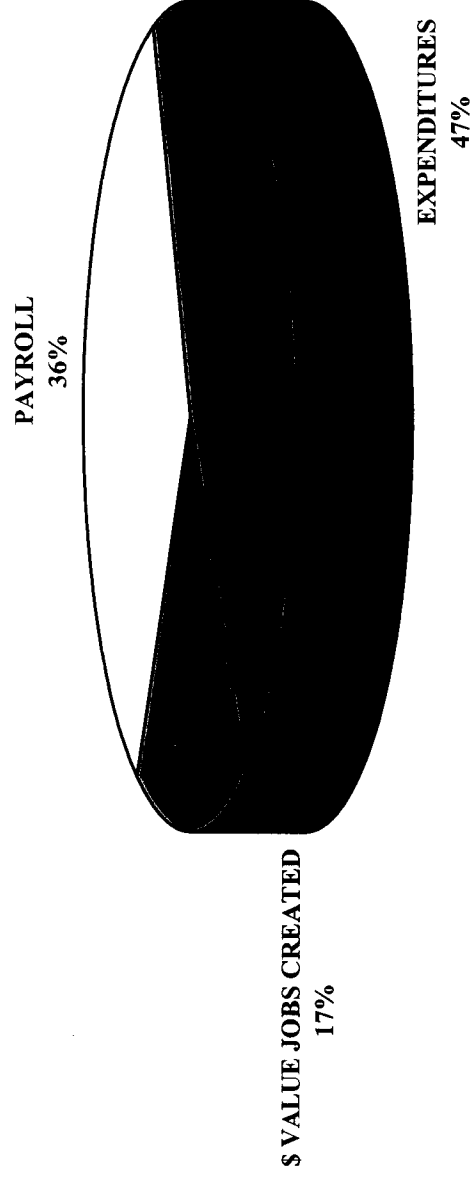
PETERSON COMPLEX



TOTAL ANNUAL ECONOMIC IMPACT (\$M) **PETERSON COMPLEX**



TOTAL ANNUAL ECONOMIC IMPACT BY % PETERSON COMPLEX



Variances Between FY05 and FY06 Statistics

Category	Variance (+) (-)	Percentage	FY05	FY06
Personnel				
Appropriated Fund Military	-190	-3.1%	6,145	5,955
Active Duty Military Dependents	-536	-7.8%	6,843	6,307
Appropriated Fund Civilian	135	6.0%	2,256	2,391
Non-Appropriated Fund Contract				
Civilians and Private Business	151	4.7%	3,181	3,332
Total	-440	-2.4%	18,425	17,985
Annual Payroll				
Appropriated Fund Military	-46,364,930	-14.8%	313,572,611	267,207,681
Appropriated Civilian	13,558,760	9.6%	140,768,293	154,327,053
Non-appropriated Fund Contract				
Civilians and Private Business	-522,451	-4.9%	10,613,651	10,091,200
Total	-33,328,621	-7.2%	464,954,555	431,625,934
Expenditures for Construction, Service, and Procurement of Materials, Equipment and Supplies				
Construction	8,956,159	29.0%	30,934,794	39,890,953
Services	-59,402,616	-11.2%	532,352,552	472,949,936
Materials, Equipment and Supplies	-89,618,827	-64.8%	138,285,003	48,666,176
Total	-140,065,284	-20.0%	701,572,349	561,507,065
Estimated Annual Dollar Value of Jobs Created				
	11,183,346	5.9%	191,015,352	202,198,698
Total	11,183,346	5.9%	191,015,352	202,198,698
Grand Total Economic Impact	-162,210,559	-11.9%	1,357,542,256	1,195,331,697

Variances in EIS Numbers Between FY05 & FY06

Table 1

Active Duty – The 3.1 percent decrease primarily came from the decrease of Air Force members assigned to Peterson AFB Complex or early separation due to force shaping initiatives.

Active Duty Military Dependents – The 7.8 percent decrease in active duty military dependents has a direct correlation to the decrease in military members assigned to Peterson AFB Complex.

Civilians (APF/NAF/Private Business) – Slight hiring increases in APF, NAF, and contract civilians resulted in positive variances compared to FY05 by 6 percent and 4.7 percent, respectively.

Table 2

Total Annual Payroll – The 7.2 decrease in overall annual payroll is primarily attributable to the decrease in military payroll due to force reduction. Decreases were slightly offset by a 9.6 percent increase in AFP civilian hires.

Table 3

Military Construction – Military construction by Army Corp of Engineering increased significantly by 29 percent and attributable to the ADAL Mission Support Facility, USNORTHCOM Bed Down/NORAD Battle Management Center/ATFP Improvements, Consolidated Aerial Port/Airlift Control Flight Facility, Arrival/Departure Airfield Control Facility, and an increase in O&M spending for facility repair and minor construction projects.

Service Contracts – Service contract spending decreased by 7.4 percent and is primarily a result of significant cuts in the 21st Space Wing FY06 operating budget. However, spending increases were noted in activities by CC2SG as well as the Base Commissary.

Minor Construction, Materials, Equipment, Supplies, TRICARE - Significant cuts amounting to a decrease of 20 percent in this category were a combination of greatly reduced expenses for TRICARE, which were validated in the PCMIS TRICARE cost reporting system. Decreases in this category were also supplemented by the realignment of organizational supply funds to cover the 21st Space Wing's top mission priorities.

Table 4

Estimated Annual Dollar Value of Jobs Created – Although military personnel decreased at PAFB, offsetting increases in APF and NAF hires resulted in an increase of 5.9 percent for the estimated amount of indirectly created jobs in the local community. Local multipliers were utilized per guidance by the Bureau of Labor Statistics, US Department of Labor.

Table 5

Grand Total Economic Impact – An overall decrease of approximately 11.9 percent was realized in FY06 as compared to FY05. The decrease is directly attributable to the following factors:

- Decrease in overall Active Duty military at PAFB due to force reductions
- Decrease in local contract and supply costs due to significant budgetary constraints
- Decrease in local TRICARE costs, as reported by the Regional TRICARE Management Activity located in Denver, Colorado

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